WHAT IS CLAIMED IS:

1. A method of annotating an XML schema to describe a non-XML data stream containing input data to create an XML instance, comprising:

including nodes within said XML schema to define characteristics of said non-XML data stream;

receiving said non-XML data stream;

parsing said non-XML data in accordance with information contained in said nodes; and

creating said XML instance containing said input data.

2. The method of claim 1, further comprising:

defining, in said XML schema, delimiters, TagNames, positional information within said non-XML data stream.

3. The method of claim 1, further comprising:

annotating said XML schema with said nodes in accordance with standard conventions applicable to an XSD schema.

- 4. The method of claim 1, wherein said non-XML data comprises at least one of flat files, EDI files, and COBOL files.
- 5. An editor for defining an XML schema that describes a non-XML data stream, comprising:

an instance tree view;

a text view of said XML schema; and

a properties view,

wherein properties associated with said non-XML data stream are entered via said properties view to define characteristics of data contained within said non-XML data stream, and

wherein said properties are annotated within said XML schema.

6. The editor of claim 5, wherein said text view further comprises a color-coded view of a portion of said XML-schema associated with a particular node.

- 7. The editor of claim 5, wherein said specific properties comprise XSD properties.
- 8. The editor of claim 5, further comprising:

an extensibility mechanism wherein said properties for specific nodes associated with differing types of non-XML data are specified.

- 9. The editor of claim 8, further comprising: a custom view for adding properties to each node that appear in said properties view.
- 10. The editor of claim 5, further comprising:
- a validation mechanism; and
- an instance generation mechanism.
- 11. The editor of claim 10, wherein said schema is validated from a non-XML perspective.
- 12. The editor of claim 10, wherein sample instance data is generated from said XML schema containing data from said non-XML data stream.
- 13. A method of providing schema editor extensions to a schema editor, comprising: providing assemblies containing implementation to extend a functionality of said schema editor; and

referencing definitions of interfaces for exposing extended functionalities to said schema editor.

- 14. The method of claim 13, wherein said extended functionalities include additional properties added to elements and attributes of an XML schema.
- 15. The method of claim 14, further comprising:

 providing a property manager that implements an interface to define custom properties for said elements and attributes.
 - 16. The method of claim 15, further comprising: storing said custom properties within said XML schema.

- 17. The method of claim 15, further comprising: annotating said XML schema to describe non-XML data streams.
- 18. The method of claim 15, further comprising: providing a validator to validate said custom properties.
- 19. The method of claim 15, further comprising: providing an instance generator for generating an instance of said XML schema.
- 20. The method of claim 13, further comprising: annotating a schema being edited by said schema editor to include information about said extended functionalities.